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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 26, 1999

APPLICATION OF

DELMARVA POWER & LIGHT COMPANY

CASE NO. PUE990344

For a increase in its electric Fuel Rate pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 1999-2000 FUEL FACTOR PROCEEDING

On May 18, 1999, Delmarva Power & Light Company ("Delmarva" or "Company") filed its application, written testimony, and exhibits to support its request for an increase in the Company's fuel factor.

The Company requests approval of a Fuel Rate of 1.987¢/kWh, which represents an increase of 0.204¢/kWh over the Fuel Rate currently in effect. In its application, Delmarva gives two reasons for the proposed increase: (1) the expiration of the Correction Factor ("CF") credit included in the current Fuel Rate and the commencement of a CF charge included in the proposed Fuel Rate, resulting from the anticipated 1998-1999 period-ending under-recovery, and (2) an increase in the estimated system average cost of fuel per kWh sold for the 1999-2000 period compared to the projected fuel expenses upon which the presently effective Fuel Rate is based. The application states that for a residential customer using 750 kWh in a summer

month, the proposed Fuel Rate represents an increase in the monthly bill of \$1.53 or 2.0%.

The Company requests that the proposed Fuel Rate be approved for bills rendered beginning with the July 1999 billing month, without proration. The Company also requests a temporary waiver for a period of five weeks of the Commission's fuel factor regulations pertaining to the filing of projections required by the Commission's Fuel Monitoring System. Delmarva states that the reason for the requested waiver is that various computer and accounting system conversions from a mainframe system to a PC-based system and other workload has delayed the normal process for preparing such projections.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUE990344.
- (2) The Company's request for an additional five weeks to file projections required by the Commission's Fuel Monitoring System shall be granted, and the projections shall be filed with the Division of Energy Regulation on or before June 22, 1999.
- (3) A public hearing is scheduled for 10:00 a.m. on June 24, 1999, in the Commission's Second Floor Courtroom for the purpose of receiving evidence related to the establishment of Delmarva's fuel factor for the 12-month period beginning July 1999.

- (4) Delmarva shall make copies of its application and supporting documents available for public inspection during regular business hours in each of its business offices in Virginia.
- (5) On or before June 15, 1999, any person desiring to participate as a Protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), shall file with the Clerk, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, an original and twenty (20) copies of a notice of protest as provided in S.C.C. Rule 5:16(a) and service a copy on counsel for the Company as follows:

 Guy T. Tripp, III, Esquire, Hunton & Williams, 951 East Byrd Street, Richmond, Virginia 23219-4074.
- (6) On or before June 18, 1999, each Protestant shall file an original and twenty (20) copies of a Protest (S.C.C. Rule 5:16(b)) and of the prepared testimony and exhibits Protestant intends to present at the hearing, and serve two (2) copies of each on Delmarva and all other Protestants.
- (7) On or before June 16, 1999, the Commission Staff shall investigate the reasonableness of the Company's request and file a report of its investigation with the Clerk and serve a copy on the Company and all Protestants.
- (8) On or before June 21, 1999, Delmarva shall file an original and twenty (20) copies of all testimony it expects to

introduce in rebuttal to all direct prefiled testimony and exhibits. Additional rebuttal evidence may be presented without prefiling, provided it is in response to evidence which was not prefiled but elicited at the time of hearing and provided further the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted by the Commission. A copy of the prefiled rebuttal evidence shall be served upon all other Protestants.

- (9) The Company shall respond to written interrogatories within five (5) days after receipt of the same. Protestants shall respond to the written interrogatories of the Company, other Protestants and Staff within five (5) days after receipt of the same. Protestants shall provide the Company, other Protestants, and Staff with any work papers or documents used in preparation of their filed testimony promptly upon request. Except as modified above, discovery shall be in accordance with Part VI of the S.C.C. Rules.
- (10) On or before June 8, 1999, Delmarva shall cause a copy of the following notice to be published as display advertising (not classified), on one occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF THE 1999-2000 FUEL FACTOR PROCEEDING FOR DELMARVA POWER & LIGHT COMPANY

On May 18, 1999, Delmarva Power & Light Company ("Delmarva") filed an application with the State Corporation Commission for an increase in its fuel factor. The Company requests approval of a Fuel Rate of 1.987¢/kWh, which represents an increase of 0.204¢/kWh over the Fuel Rate currently in effect. If approved, the proposed fuel factor would become effective with the July 1999 billing month, without proration.

Pursuant to Virginia Code § 56-249.6, the Commission has scheduled a public hearing to commence at 10:00 a.m. on Thursday, June 24, 1999, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving evidence related to the establishment of Delmarva's fuel factor.

All testimony, exhibits, and other data filed by Delmarva will be available for public inspection at all of the Company's offices in Virginia where bills may be paid, and at the Commission's Document Control Center, First Floor, Tyler Building, Richmond, Virginia.

Any interested person desiring to make a statement at the hearing should appear in the Commission's courtroom at 9:45 a.m. on the hearing date and identify himself or herself to the bailiff.

On or before June 15, 1999, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), to present evidence and cross-examine witnesses, shall file an original and twenty (20) copies of a notice of protest, as described in S.C.C. Rule 5:16(a)

with the Clerk of the Commission, and serve a copy upon Delmarva. Service upon Delmarva shall be directed to Guy T. Tripp, III, Esquire, Hunton & Williams, 951 East Byrd Street, Richmond, Virginia 23219-4074.

On or before June 18, 1999, each Protestant shall file an original and twenty (20) copies of a Protest (S.C.C. Rule 5:16(b)) and an original and twenty (20) copies of the prepared testimony and exhibits Protestant intends to present at the public hearing, and serve two (2) copies each upon Delmarva and each Protestant. All written communications to the Commission regarding this proceeding shall identify Case No. PUE990344 and be directed to Joel H. Peck, Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

DELMARVA POWER & LIGHT COMPANY

(11) On or before June 8, 1999, Delmarva shall serve a copy of this Order on the chair of the board of supervisors of each county (or equivalent officials in counties having alternate forms of government) in which the Company offers service, and on the mayor or manager of every city and town (or an equivalent official in cities and towns having alternate forms of government) in which the Company offers service. Service shall be made by either personal delivery or by first-class mail to the customary place of business or the residence of the persons served.

(12) At or before the commencement of the hearing scheduled herein, Delmarva shall provide proof of service and notice as required in this Order.